

# FISCAL NOTE

**Bill #:** SB0189      **Title:** Restricted drivers license for individual delinquent in child support obligation

**Primary Sponsor:** A. Curtiss      **Status:** As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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## **Fiscal Summary**

	<b>FY 2004 <u>Difference</u></b>	<b>FY 2005 <u>Difference</u></b>
<b>Expenditures:</b>		
General Fund	\$13,447	\$675
<b>Revenue:</b>		
State Special Revenue	(\$46,986)	(\$47,466)
<b>Net Impact on General Fund Balance:</b>	(\$13,447)	(\$675)

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|--|--|
| <input type="checkbox"/> Significant Local Gov. Impact<br><input checked="" type="checkbox"/> Included in the Executive Budget<br><input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Technical Concerns<br><input type="checkbox"/> Significant Long-Term Impacts<br><input checked="" type="checkbox"/> Needs to be included in HB 2 |
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## **Fiscal Analysis**

### ASSUMPTIONS:

#### Department of Public Health and Human Services (DPHHS)

1. The Child Support Enforcement Division (CSED) entered 646 cases in payment plans in FY 2002 as a result of license suspension actions. It is estimated that 90 percent of the payment plans are entered into to avoid driver's license suspension.
2. It is assumed that the ability to obtain, upon request, a probationary license for occupational, homemaking and emergency purposes, will extinguish any incentive to enter into a payment plan for the payment of child support; therefore 646 x 90 percent = 581 cases that will no longer have collections.
3. The average collection per child support case that had a collection in FY 2002 was \$2,130. \$51,423,420 total collections / 24,148 cases with a payment = \$2,130 per year.
4. The CSED will not be establishing 581 payment plans. This will decrease child support collections by \$1,237,530 per year (581 cases x \$2,130 = \$1,237,530).
5. TANF collections were \$7,283,629 for FY 2002, which is approximately 14 percent of total collections.
6. The non-TANF collections were \$44,139,607 for FY 2002, which is 86 percent of total collections.
7. Non-TANF collections would decrease by \$1,064,276 (\$1,237,530 x 86 percent = \$1,064,276).
8. Non-TANF collections are passed through directly to families.
9. TANF collections would decrease by \$173,254. (\$1,237,530 x 14 percent = \$173,254).
10. The CSED retains TANF collections at the FMAP rate (27.12 percent in FY04 and 27.57 percent in FY05).

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(continued)

11. The CSED would lose state special revenue:  $\$173,254 \times 27.12 \text{ percent} = \$46,986$  in FY04; and  $\$173,254 \times 27.57 \text{ percent} = \$47,766$  in FY05.
12. There will be additional collections that the CSED will not receive when the threat of license suspension is removed, but this amount cannot be determined.
13. Total collections figures are utilized to calculate federal child support incentive payments. If child support collections decrease, incentive calculations would decrease.

**Department of Justice (DOJ)**

14. The number of driver license suspension actions were taken by the Motor Vehicle Division due to notices of suspension under 40-5-703(5), MCA, has increased annually by more than 30% in recent years. 443 child support suspension actions were taken in CY 2000, 587 in CY 2001 and 772 in CY 2002. Assuming a conservative growth rate of 25% annually for child support suspension actions, approximately 965 driver license suspension actions would be taken in CY 2003, 1,200 in CY 2004, and 1,500 in CY 2005.
15. Programming and system upgrades to the driver license application system enhancing certain steps in these child support driver license suspension processes will allow the division to absorb the anticipated increase in this workload volume without additional staffing.
16. Administrative expenses increase by \$12,906 in FY 2004 to provide programming changes and to create a new driver control letter on the driver license application system.
17. Operating expenditures would increase by approximately \$540 in FY 2004 and \$675 in FY 2004 for postage, supplies, and computer processing costs.

$$\text{FY 2004} = 965 + 1200 = 2165 / 2 = 1082.5 \times \$0.50 = \$541.25$$

$$\text{FY 2005} = 1200 + 1500 = 2700 / 2 = 1350 \times \$0.50 = \$675.00$$

**FISCAL IMPACT:****Department of Public Health and Human Services****Expenditures:**

Operating Expenses

\$0

FY 2005

**Difference**\$0**Revenues:**

State Special Revenue (02)

(\$46,986)(\$47,766)**Net Impact to Fund Balance (Revenue minus Funding of Expenditures):**

State Special Revenue (02)

(\$46,986)(\$47,766)**Department of Justice****Expenditures:**

Operating Expenses

\$13,447\$675**Funding of Expenditures:**

General Fund (01)

\$13,447\$675**Net Impact to Fund Balance (Revenue minus Funding of Expenditures):**

General Fund (01)

(\$13,447)(\$675)**TECHNICAL NOTES:**

1. Federal regulation CFR 49, 384.210, Limitation on Licensing, prohibits the issuance of probationary driver licenses for individuals holding a commercial driver's license.